

---

# Modern Slavery Transparency Statement 2019

---

## OVERVIEW

This statement has been produced in accordance with section 54 of the Modern Slavery Act 2015 and constitutes our Modern Slavery Transparency Statement for the financial year ending 31 March 2019.

The statement covers Howarth Timber Group Limited ("Group") and subsidiaries listed below.

### Subsidiaries:

- [Howarth Timber and Building Supplies Limited](#)
- [Howarth Timber Engineered Solutions Limited](#)
- [Howarth Timber Windows and Doors Limited](#)

The Group (who's most recent financial year ended on 31 March 2019), wherever it operates, is committed to conducting business with honesty and integrity; in treating all people with dignity and respect and in complying with applicable laws, regulations and treaties. The Group is also committed to protecting and promoting human rights globally. The Group does not tolerate child labour, forced labour, including prison labour, or any use of force or other forms of coercion, fraud, deception, abuse of power or other means to achieve control over another person for the purpose of exploitation.

This statement sets out the Groups actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains.

As part of, and supplying to, the construction industry, the organisation recognises that it has a responsibility to take a robust approach to slavery and human trafficking. The organisation is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

The Board of Directors has the overall responsibility for ensuring this policy and disclosure statement and its implementation comply with legal and ethical obligations. Managers at all levels are responsible for ensuring those reporting to them understand and comply with this policy and disclosure statement and are given adequate and regular training.

## STRUCTURE AND SUPPLY CHAIN

The Group operates in the construction industry, with a nationwide network of branches supplying timber and building materials, dedicated manufacturing divisions supplying specialist windows and doors and timber engineering services.

Through the network of branches the Group sells a range of products, with its major categories being timber and sheet materials, general building materials, landscaping, joinery products, plumbing and heating products. The manufacturing division both make timber products which is sold into both the branch network and direct to other construction companies.

Each business within the Group operates autonomously, and as such will have their own buying department.

With regards to supply chain and its compliance with Modern Slavery, this can be split into timber supply, which is the majority of the groups purchases and other suppliers.

### Timber Suppliers

As a signatory to the Timber Trade Federations (TTF) Responsible Purchasing Policy (RPP) Due Diligence process, we assess suppliers for evidence of legality and sustainable forest management and are subject to an annual independent third party audit.

We perform due diligence and risk assessments on all suppliers and seek the clearest practicable information regarding the sources of raw materials. We also recognise that the independent certification of the forests and the process chain is the best means of providing assurance that timber comes from legal and well-managed forests and we will purchase certified material wherever possible. In order to achieve certification a company completes a self-assessment declaration that they do not take part in activities which would fall under the Modern Slavery Act in line with the violation of any of the ILO (International Labour Organisation) Core Conventions as defined in the ILO Declaration on Fundamental Principles and Rights at Work.

Chain of Custody (CoC) procedures have been implemented to ensure these materials meet the Government and C.P.E.T. (Central Point of Expertise in Timber) policy and guidelines on sustainable forest management practices are obtained from legal and sustainable forest sources. As part of this system it is our policy to ensure compliance with the Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC) standards.

In line with both the FSC and PEFC Chain of Custody 'standard' requirements, the Company has appointed a management representative as the CoC Scheme Manager, who has overall responsibility and authority for the organisation's conformity to all applicable certification requirements. An annual internal audit of all Company sites is completed, along with an Annual Volume Summaries Report and an annual Management Review.

### Other suppliers

For other suppliers, the majority of purchases are procured via a buying group (Fortis). Fortis is a major buying group operating in the builder's merchant sector in the UK. Fortis has its own procedures for onboarding new suppliers and checking existing suppliers in relation to compliance. The Fortis supplier code of conduct includes statements in relation to six areas directly relating to the modern slavery act as follows: child labour; slavery, forced and bonded or involuntary labour; human trafficking; health and safety hazards; working hours; and business ethics.

The Group has also adopted a similar code of conduct for non-Fortis suppliers.

In addition to the above the company monitors and evaluates its supply chain based as follows:

- Evaluating the modern slavery and human trafficking risks of each new supplier based on geographical location and reputation of the country the product(s) are manufactured in.
- Conducting supplier audits or assessments which have a greater degree of focus on slavery and human trafficking where general risks are identified.
- Invoking sanctions against suppliers that fail to improve their performance in line with an action plan or seriously violate our supplier code of conduct, including the termination of the business relationship.

### RELEVANT POLICIES

The Group operates the following policies that describe its approach to the identification of modern slavery and human trafficking risks and steps to be taken to prevent slavery and human trafficking in its operations:

- **Supplier Code of Conduct:** The Group is committed to ensuring that its suppliers adhere to the highest standards of ethical behaviour. Suppliers are required to demonstrate that they provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labour. The Group works with suppliers to ensure that they meet the standards of the code and improve their worker's working conditions. However, serious violations of the organisation's supplier code of conduct will lead to the termination of the business relationship.
- **Corporate Social Responsibility and Responsible Sourcing policies:** The Group operates well engrained CSR and Sourcing policies which will run in conjunction with the Modern Slavery Policy and Disclosure Statement.
- **Employee Code of Conduct:** The Group code makes clear to employees the actions and behaviour expected of them when representing the organisation. The Group strives to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing its supply chain.
- **Whistleblowing Policy:** The Group is committed to conducting its business with honesty and integrity, and it expects all staff to maintain high standards. However, all organisations face the risk of things going

wrong from time to time, or of unknowingly harbouring illegal or unethical conduct. A culture of openness and accountability is essential in order to prevent such situations occurring and to address them when they do occur.

- **Recruitment/Agency Workers Policy:** The organisation uses only specified, reputable employment agencies to source labour and always verifies the practices of any new agency it is using before accepting workers from that agency.

### DUE DILIGENCE AND RISK ASSESSMENT

As mentioned above, the Group operates due diligence processes on all new suppliers. This includes a self-assessment declaration that they do not take part in activities which would fall under the Modern Slavery Act in line with the violation of any of the ILO (International Labour Organisation) Core Conventions as defined in the ILO Declaration on Fundamental Principles and Rights at Work.

The Group will also risk assess potential suppliers based on:

- geographical location and reputation of the country the product(s) are manufactured in;
- using ethical supplier databases where suppliers can be checked for their labour standards, compliance in general, and modern slavery and human trafficking in particular where possible;
- Conducting supplier audits or assessments which have a greater degree of focus on slavery and human trafficking where general risks are identified.

Where suppliers seriously violate our supplier code of conduct the Group will invoke sanctions against suppliers, including the termination of the business relationship.

### MEASURING EFFECTIVENESS

Maintaining chain of custody and ensuring all timber suppliers are also within compliance with CoC procedures ensures effectiveness of the policy with regards Timber and Sheet Materials suppliers.

We make enquiries to Fortis (the buying Group) as to compliance with the supplier code of conduct. All existing Fortis suppliers were asked to sign up to a supplier code of conduct. Fortis commenced the self-assessment process in 2017 and 85% of its suppliers have signed up to the code of conduct. When onboarding new suppliers or agreeing new deals with current suppliers, Fortis asks for confirmation that they adhere to the supplier code of conduct.

### TRAINING FOR STAFF

All Senior Management, Buying and HR staff received training on Modern Slavery. Refresher training on modern slavery and human trafficking is provided to relevant staff.